

Overview of the agency:

The Insurance Commissioner's Office has the responsibility of regulating the insurance business in Washington under authority granted by the insurance laws of this state. The people of Washington paid approximately \$19 billion in 2003 for insurance to 1,374 insurance companies, Health Care Service Contractors (HCSCs), and Health Maintenance Organizations (HMOs). This figure includes money spent for life, health, property, casualty and marine insurance.

The Insurance Commissioner's office was created by the first state Legislature in 1889-90, with the office first administered as an adjunct duty of the Secretary of State. It was made an independent state office in 1907, and the first Insurance Commissioner was elected in 1908. There have been eight elected insurance commissioners since then, including the current Commissioner, Mike Kreidler, who was elected in 2000.

At first, the main functions of the office were simply to register insurance companies that wanted to do business in Washington. The office primarily regulated by exercising the compliance and penalty provisions of the State Insurance Code, although other duties included supervision of insurance company formation within the state and monitoring of the reinsurance market. Over the years, the Commissioner's duties expanded to include ascertaining that all authorized insurance companies meet and maintain stringent financial, legal and other requirements for doing business in this state.

Today, consumer protection is the most important job of the Insurance Commissioner. During the year 2003, the OIC investigated and closed 6,957 complaints, recovering \$11 million for consumers. In addition, the Insurance Commissioner coordinates a wide variety of protective and assistance services for insurance consumers. For example, agency investigators follow up on any consumer complaint, look into the circumstances of disputes between consumers and companies, and advocate for the consumer whenever companies have acted improperly. The Consumer Protection Division responds to thousands of questions from consumers every year and distributes published consumer guides that help Washington residents decide what type of insurance they need and how to go about purchasing it.

Other facts about the Office of the Insurance Commissioner:

- About 60 insurance companies and health carriers are domestic insurers with headquarters located in Washington. Domestic companies are scheduled for examination by the Insurance Commissioner's Office at least once every five years.
- Anyone selling insurance in Washington must hold an agent's license from the Insurance Commissioner. Overseeing the testing, licensing, continuing education and professional performance of the more than 80,000 licensees in the state constitutes a major part of the insurance office staff's workload.

- The Commissioner is responsible for collecting a tax assessed on insurance premiums. A century ago, a little less than \$15,000 in premium tax money was collected. By comparison today, the same tax generates more than \$209 million a year. All of this money goes into the state's General Fund. No General Fund money goes to the Office of the Insurance Commissioner. Instead, insurance companies pay a special assessment based on the business they do in the state, and that money is used to fund the operations of the OIC.

In addition, the OIC is responsible for collecting more than \$109 million in premium taxes paid by Health Care Service Contractors and Health Maintenance Organizations. This revenue is used to fund the state's Basic Health Plan.

- Consumers with insurance questions or concerns are encouraged to contact the Consumer Advocacy program. Our Consumer Advocacy staff includes experts in all lines of insurance (auto, homeowner, life, disability, health, etc.) and provides free assistance and education to consumers. Consumer Advocacy has the authority to investigate formal complaints against insurers and agents, and to enforce insurance laws on behalf of consumers. For assistance, consumers may call the toll-free hotline at 1-800-562-6900, access our Web site at www.insurance.wa.gov or send an e-mail to cad@oic.wa.gov.
- The Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine is a free service of the OIC. The SHIBA HelpLine provides specialized education, assistance and advocacy, including individualized counseling by trained volunteer advisors about your rights and options. For help with health insurance issues, call **1-800-397-4422**.
- Agents, brokers and other insurance licensees may contact the OIC directly through the Consumer Protection Division at (360) 725-7263.